

# MAYOR & COUNCIL AGENDA COVER SHEET

**MEETING DATE:**

February 4, 2008

**CALL TO PODIUM:**

Louise Kauffmann,  
Director of Community  
Development

**RESPONSIBLE STAFF:**

Louise Kauffmann

**AGENDA ITEM:**

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
<b>x</b>	Public Hearing
	Historic District
	Consent Item
	Ordinance
	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

**PUBLIC HEARING HISTORY:**

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Gaithersburg Gazette	01/04/08
El Pregonera	01/10/08
Hearing Date	
Record Held Open	02/29/08
Policy Discussion	04/07/08

**TITLE:**

Public Hearing to Solicit Input on the City's Consolidated Planning Process for Community Development Block Grant (CDBG) Funding Through the U.S. Department of Housing and Urban Development (HUD)

**SUPPORTING BACKGROUND:**

The purpose of this hearing is to introduce Gaithersburg's receipt of CDBG funds for the next five-year period (July 2008 – June 2013); to review the consolidated planning process, and describe how these funds may be used to benefit low-moderate income households. This hearing will also give residents and interested organizations an opportunity to offer their thoughts on how CDBG funds should be used, specifically in FY09, and more generally, over the next five years.

Staff is in the process of preparing the Consolidated Plan, HUD's required document for this formula program, which also serves as a formal application for CDBG funds. Prior to submission to HUD, the Plan will be available for a 30-day comment period, after which all comments must be considered and summarized within the Plan.

The City has held two public community meetings, one at the Ed Bohrer Parent Resource Center on Wednesday, January 23, 2008 and another at the Activity Center at Bohrer Park on Wednesday, January 30, 2008. These meetings were conducted to solicit input from interested residents in an informal setting. The City also prepared a "Community Needs Survey" in English and Spanish, which was made available to all City committee members and posted on the City website. Respondents were asked to prioritize community needs ranging from "No Need" to "High Need". The results of that survey will be tabulated and also considered for planning purposes in the final document.

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**DESIRED OUTCOME:**

Receive staff presentation, conduct public hearing, and provide opportunity for public comment. Staff recommends the record be held open until 5:00 P.M. on Friday, February 29, 2008 with policy discussion anticipated on Monday April 7, 2008.

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## **Supporting Background Continued:**

The three main goals of the CDBG program are to provide decent housing, a suitable living environment, and expanded economic opportunities, principally for low- and moderate-income persons.

The City is required to use at least 70 percent of CDBG funds for projects that benefit persons of low or moderate income, including homeless and special needs persons and households living within a low-moderate income community based on census tract and block group.

Up to 20 percent of each year's grant may be used for planning and administrative costs; up to 15 percent may be used to fund public service projects; remaining funds may be used for capital or other eligible costs.

The City was recently notified that its FY09 award (effective July 1, 2008) will be \$444,977. This amount continues the downward trend from our initial award of \$549,000 in July 2003. Over the past six years, the percentage decrease has been 23 percent overall.

For a number of years, the City has used a portion of its CDBG public service grant funds to assist low-income renters maintain housing stability through housing counseling, eviction prevention, and emergency housing assistance. Under a Request for Proposal (RFP) issued on Wednesday, January 30, 2008, the City is proposing an expansion of these housing counseling services to assist eligible homeowners facing mortgage default and possible foreclosure in addition to ongoing counseling for low-income renters. A study conducted by the State of Maryland for all counties and Baltimore City compared the number of foreclosures during the second quarter of 2006 and the second quarter of 2007. In Montgomery County the number of foreclosures increased from 34 in 2006 to 605 for the same period in 2007. Coupled with housing counseling services for renters, and given HUD's emphasis on expanding and preserving homeownership, we think this is an appropriate use of CDBG public service funds.

The Consolidated Plan and proposals for specific programs and services to be funded through the CDBG program will be presented at a subsequent Mayor and City Council meeting.